

# FOREIGN POLICY BULLETIN



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## ***Victories Bring Chinese Communists New Problems***

The unopposed Chinese Communist crossing of the Yangtze, the rapid fall of Nanking, the isolation of Shanghai by land, and the probing of Communist armies into key areas of south-central China all signalize the vast changes taking place in that country of 450 million people. So far Kuomintang military resistance has proved negligible. What was left of the framework of the Chinese Central government has been further shattered, and the Communists, now holding China's richest areas, are within reach of governing a majority of the Chinese people.

While the broad outline of events is clear, the details are complex and confused. It will take many months for the Communists to establish themselves in the whole of Kuomintang territory, and there are possibilities of political negotiations with provincial figures or perhaps with some remaining leaders of the former Nanking government who have power over particular armies or areas. It is well known that Chiang Kai-shek has been building up a base on the island of Formosa. Judging from the statement issued by Chiang in Shanghai on April 27, he is pinning his hopes for survival on the possibility of a third world war, and probably views Formosa as a base which can be maintained for an indefinite period.

### ***Problems of Communists***

Fragmentary information from Communist-held cities such as Tientsin and Peiping suggests that moderate policies are currently being followed. Business conditions in these centers are said to be stag-

nant perhaps largely because they are for the time being cut off from southern areas with which they were formerly linked. But food prices are reported at a low, fairly stable level. All newspaper dispatches agree that the Communist armies are well disciplined, a fact of great import in a country in which armed forces have a history of abusing the populace.

Politically, the declared aim of the Communists is to establish a coalition government under their leadership. On the economic front, the Communist Central Committee announced in mid-March that, without neglecting the countryside, the center of gravity of their activities should now shift to the cities. Emphasis was placed on learning the techniques of industrial production, commerce, banking and other aspects of urban economy, in order to transform China from an agricultural into an industrial country.

The cautiousness of the Communists in approaching their new problems is indicated by a statement of April 26 in which their two top leaders, Mao Tse-tung and Chu Teh, declare that, while the old land system in areas that are being taken over is "irrational," it should be eliminated "only after preparation and stage by stage." They add this observation: "Generally speaking, reduction of rent and interest should be carried out first and land distribution later. Moreover, the land problem can only be really solved after the People's Liberation Army has arrived and work has been carried on for a comparatively long time." This statement is of interest because the Communists since 1946 have emphasized a far-reaching re-

distribution of land. It is apparent they are avoiding actions for which they think the ground has not been adequately prepared and are making a strong effort in new areas to gain popular confidence and restore China's economy and administration to some kind of working order.

### ***What Should U.S. Do?***

Meanwhile, the debate over American policy in China continues to occupy the attention of a number of Congressmen and of the State Department. Congressional critics of China policy, backed by some newspapers, have demanded large-scale assistance to anti-Communist forces in China and an investigation of China policy. The State Department's approach for many months has been to "wait and see" and to let the "dust settle" in China before making new decisions. The bases of this policy were described very frankly in a confidential letter written in mid-March by Secretary Acheson to Senator Tom Connolly of the Senate Foreign Relations Committee. In this analysis, which later became public, the Secretary described the military position of the Chinese government as, in effect, hopeless. He said that the "Chinese Government forces have lost no battles during the past year because of lack of ammunition and equipment," that the "Communists have captured the major portion of military supplies, exclusive of ammunition, furnished the Chinese Government by the United States since V-J Day," that "there is no evidence that the furnishing of additional military material would alter" Chinese developments, that the Chinese

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people are "weary of hostilities" and have "an overwhelming desire for peace at any price," and that the outcome of new, large-scale American aid "would almost surely be catastrophic." This point of view has been disputed in some quarters, for example, by Major General Claire L. Chennault (retired) on May 3 before the Senate Armed Services Committee.

### ***Is Asia Affected by Europe?***

There has been a good deal of newspaper speculation about possible links between Chinese and Western developments. Several writers have suggested that the Chinese Communists speeded up their military drive in response to outside factors—for example, the North Atlantic pact, the danger of a third world war, or the possible desire of the Soviet government to have negotiations on Germany begin

at a time when Western influence would be at lowest ebb in Eastern Asia. This speculation, however, comes up against the hard fact that current military events in China are easily explained in terms of Chinese military, economic and political development of the past few years. It is true that the Nationalists are being defeated more rapidly than was expected, but this is due to disintegration in their own ranks rather than to any unusual or unexpected pressure from the Communists. It is also true that the Communists are not so well prepared to administer their new areas, especially the cities, as they would be if the take-over process were slower. But it is difficult to believe that, once given an opportunity to govern the entire country, they would wish to delay taking over in order to perfect their preparations. In short, there is no evi-

dence that the Chinese Communists have speeded up their time table except in response to opportunities offered them by Nanking's weakness. If there is any lesson to be learned from post-war developments in China it is that so complex, populous, huge, and nationalistic a country, with its independent traditions of several thousand years and its own internal political, military and economic trends, cannot be dealt with effectively through pat formulas or approaches based on abstract foreign policy considerations. The key to a workable policy in China lies first of all in understanding Chinese conditions.

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## ***Commonwealth Reforges Link With India***

In August 1947 King George VI lost his title as Emperor of India, the only truly imperial title he had. Less than two years later, on April 27, 1949, he was referred to in a state document much more prosaically as "the head of the Commonwealth." Thus did the leaders of that vague political entity variously known as the British Empire, the British Commonwealth of Nations and, most recently, "the Commonwealth"—without possessive prefix—resolve the knotty problem of India's desire to become a republic and yet remain a member of a club which previously has had rigid rules about admitting only monarchies.

### ***Titles and Symbols***

The formula evolved by the conference of Commonwealth Prime Ministers, meeting in London from April 22 to 27, was necessarily concerned primarily with the titles, symbols and definitions which are the technical aspects of constitution making and revision. The formula itself is simple enough; its political significance for the Commonwealth, now going through major transitions, will be difficult to assess except as it meets the test of future demands on the loyalty of Commonwealth members.

Under the Statute of Westminster of 1931 the essence of Commonwealth unity was the common allegiance to the British Crown by each of the dominions. The dominions themselves were defined as "autonomous communities within the

British Empire, equal in status, in no way subordinate to one another in any aspect of their domestic or external affairs." The right to secede and the right to remain neutral while other Commonwealth nations were at war were implicit in these terms. The English-speaking dominions—and the statute was framed for a Commonwealth consisting of English-speaking dominions—believed they had achieved the maximum of freedom. They relied on common heritage, common outlook and common interests to maintain their union.

When India was seeking its independence, British leaders at several points offered dominion status. Indians finally accepted it only as a transitional device and, when they received power in 1947, announced their intention of forming a sovereign independent republic, even if this meant cutting all ties with the British *raj* they had so long opposed. Burma also was offered dominion status; the Burmese rejected the offer and took full independence at the beginning of 1948 because they objected to the implications of ownership involved in belonging to the *British Commonwealth*. Both nations, emerging from subordinate status and intent on having their independence asserted unequivocally, regarded these fine distinctions with great seriousness.

However, India's Prime Minister, Jawaharlal Nehru, not only attended the Commonwealth conference last October but co-operated actively in its work. As a result of the success of that conference—

which included for the first time the three new Asian dominions, Ceylon and Pakistan as well as India—explorations were begun to see whether it was possible for the Indian government to remain within the Commonwealth and yet meet nationalist aspirations by becoming a republic.

The ultimate solution was fairly straightforward. India merely announced a desire to continue "full membership" in the Commonwealth and acceptance of "the King as the symbol of the free association of its independent member nations and, as such, the head of the Commonwealth." In other words, India under its new constitution to be adopted in three months' time, will not recognize the Crown as the symbol of its own national sovereignty but will recognize the King as the symbol of Commonwealth sovereignty. To this was added the statement by the governments of other Commonwealth countries that they accepted India's membership on these terms. But their own status, as the declaration made clear, was not changed: the Statute of Westminster remains the basis of their membership.

### ***Imperial Semantics?***

Is this formula a further demonstration of the British flair for compromise? Or is it merely an exercise in imperial semantics? Does it strengthen the Commonwealth, or is it a distortion of definitions in order to keep a populous, potentially

great nation within the fold? Most reactions to the declaration have been favorable, but former Prime Minister Jan Christiaan Smuts of South Africa issued a statement standing out against the "general chorus of approval" on the ground that there are now two classes of membership and two classes of kingship, one for India and one for the rest of the Commonwealth. Even while the Indian issue was being resolved, Eire, another unique case for which the concept of dominion was stretched to the breaking point, was cutting its last Commonwealth ties. The significant difference between Eire and India, however, is that Eire's membership was always reluctant (and legally doubt-

ful after 1937) while India's new position was formulated as the result of New Delhi's desire for continued participation.

This desire is at least partly the result of British statesmanship in granting full Indian freedom two years ago. Economic factors were also important, for the Commonwealth's system of imperial preferences is advantageous to India. But probably the over-riding consideration was that of the current strategic situation in Asia. With Russia regarded as an historic threat to the subcontinent, and with Chinese Communists pressing toward the northern borders of Southeast Asia, India is reluctant to cut off sources of aid in time of future crisis. The Commonwealth

today includes an array of potential strength on the Indian ocean—South Africa on one flank and Australia and New Zealand on the other, as well as the Asian dominions in the middle. The possibility that Burma may re-enter the Commonwealth for similar reasons is not excluded. Divergent interests among the member countries, the actual and potential feuds between India and Pakistan and India and South Africa, are less important than the strategic common interests involved in the Indian Ocean community. The London *Spectator* talks of the "indefinable mysticism" of the Commonwealth, but a little *realpolitik* is also involved. WILLIAM W. WADE

## ***Poles Debate Speed of Collectivization***

The dilemma faced by the Polish Communist party—as well as by Communists in other countries at a comparable stage of economic development—is how to achieve the desired degree of socialization and national economic integration without arousing vigorous popular opposition that might jeopardize recovery.

### ***Socialization—How Fast?***

This dilemma has been revealed again and again in discussions of Poland's six-year plan, to be inaugurated in 1950. The announced aim of this plan, successor to the three-year plan of reconstruction now in operation, is "to build the foundations of socialism," but not yet to create socialism. The pace of socialization, especially with respect to agriculture, was vigorously debated at the Warsaw congress of December 1948 at which the Polish Workers' Communist party (PPR) and the Polish Socialist party (PPS) formed the United Polish Workers' party (PZPR). In spite of the fact that Communist leader Wladyslaw Gomulka was demoted at that time for urging a policy of gradualism, it was made clear during the congress that undue haste in attempting to achieve agricultural collectivization should be avoided for fear of antagonizing the peasants. The Poles, to a far greater extent than Russian peasants in 1917, have had experience with the concept and practice of private property and resist any hint that their land and other possessions might be pooled in collective farms.

Yet Hilary Minc, Minister of Industry and Trade who on April 23 was named Vice-Premier, has stressed, notably at the

plenary session of the Central Committee of the Polish Workers' party in July 1948, that the party's program must be based on Marxist-Leninist theory. Warning "that the party's program . . . will not be accepted and understood at once by all social groups and strata, nor even by all of the working population," he added, "without a program there is no winning over the people for the party." The task of the government is "to persuade the working population of the soundness of our program." Instead of urging agricultural collectivization, Minc proposed the voluntary formation of "production co-operatives"—but even this proposal was interpreted as a step toward collectivization by the peasants who proceeded to slaughter hogs for home consumption.

Owing to peasant resistance, the government for the time being exercises great caution in formulating its plans for agricultural co-operatives. Yet it faces the problem of an economy divided into a nationalized sector of industrial production, and a privately controlled sector of agricultural production which cannot be closely meshed into a national economic program. Government spokesmen estimate that at the present time the nationalized sector, including industrial co-operatives, employs 75 per cent of all workers engaged in industry and handicrafts and produces 85 per cent of the entire industrial and handicraft output. By contrast, state farms, comparable to the Russian *soukhozes*, and usually run as model farms, comprise about 10 per cent of the total acreage and yield about 7.5 per cent of the total grain output. The government is aware that even if collectivization were

not resisted by the peasants, it would be limited for the time being by lack of modern agricultural equipment. Machine and tractor centers similar to those in Russia, where equipment can be rented by the peasants, have been established at over one thousand points in the country, and tractors and other machinery are being imported from Czechoslovakia, Britain and the U.S.S.R., but the shortage remains acute.

### ***Industrial Problems***

According to foreign observers, Poland has made considerable progress toward industrial recovery, especially in the textile industry, which ranks first in employment, and in coal mining. In 1948 Poland produced 70.3 million tons of coal as compared with 59.1 million in 1947 and 47.3 in 1946, and it is acknowledged to have the highest coal productivity per man in Europe. In 1948 coal and coke constituted 50 per cent of the total value of Poland's exports. Poland's rapidly expanding merchant fleet operates through the ports of Gdynia, Gdansk (Danzig) and Szczecin (Stettin), and orders have been placed abroad for modern ships, including two oil tankers being built in Britain.

In spite of these achievements, Poland is handicapped by lack of technicians and skilled workers owing to wartime loss of manpower. It also needs all kinds of machinery both to rehabilitate existing enterprises—notably the coal mines it took over from Germany in Silesia—and to equip factories blueprinted in the six-year plan. Efforts are being made to increase productivity by "labor competi-



tions" similar to the Stakhanovist movement in Russia, with money incentives offered to record-breaking workers—but, since real wages have not increased, workers have shown considerable aversion to such competitions. Poland is also seeking to overcome some of the problems of industrial backwardness by collaboration with the more advanced economy of Czechoslovakia. A number of Polish-Czechoslovak commissions have been established to eliminate overlapping in production and to study the possibility of integrating the industrial output of the two countries.

Czechoslovakia itself, however, is faced with the need to import new machinery and spare parts for machines already in operation before it can measurably increase its exports to neighboring countries or to the West, where it hopes to purchase necessary equipment.\* The Prague government, too, places increasing emphasis on labor productivity, and vigorous attempts are being made to cut down absenteeism which, according to some foreign observers, is due not so much to sabotage, as has frequently been reported, as to lack of material incentives. Nationalized factories, which include all enterprises employing more than fifty workers, are administered not by workers' councils but by managers—in many instances former managers or owners—who are responsible to the government. Far from holding out the promise of an easy life, government and trade union leaders point out that the country's standard of living cannot be maintained and the social services Czechoslovakia has developed since its emergence as a national state in 1919 cannot be kept up unless all groups of the population increase their output. Czechoslovakia, as well as Poland, lag in capital formation, and Czech Premier Zapotocky recently emphasized that wages must not "eat up the results of increased production," and that nationalized industries must provide funds for capital investment. "For," he added, "if they do not improve and expand, we shall not be able to compete with foreign countries and buy the necessary raw materials."

\*Problems of East-West trade will be analyzed in a forthcoming article.

## Warsaw and Catholic Church

The Polish Communist party faces not only stubborn opposition from the peasants but also a number of far-reaching issues in its relations with the Catholic Church. In a country where 90 per cent of the population are Catholics, the Church, which historically has been one of the bulwarks of the Polish nation in its struggle against foreign oppression, remains a vital force that cannot be disregarded or defied with impunity. Instead of attempting a frontal attack comparable to the attack of the Russian Communists in 1917 on the far weaker Orthodox hierarchy, the Polish government is seeking to limit the scope of the Church's activities in three main sectors. First, it proposes that religious instruction, compulsory in all schools at present, should be made voluntary. For a variety of reasons it has shut down the relatively few schools directly administered by the Church. Second, it has closed most Catholic newspapers and has restricted those still published to discussion of nonpolitical subjects. And third, it has curtailed the activities of Catholic organizations. At the Warsaw congress of December 1948 Communist party spokesmen declared the party will insist that the Church withdraw completely from political life and cease its extra-religious educational activities, especially among the youth. The clergy, they contended, must give proof of loyalty to the regime—a contention that has caused some observers to assume that the Polish government, while preserving the Church, wants to terminate its ties with the Vatican and to transform it into a distinctly national institution.

In spite of governmental restrictions, churches in Poland are full to overflowing, and it is interesting to note the large number of young people among the worshippers, as well as the number of soldiers, who are expected by the army to attend church services. In Warsaw demolished churches, including the Cathedral, are being rebuilt at state expense and with as much care to reproduce them in their original form as in the case of other edifices.

The Catholic hierarchy, for its part, is pondering the course it should follow under existing circumstances. Should it

fight the government openly, as Cardinal Mindzenty did in Hungary, at the risk of martyrdom? Should it reach some kind of *modus vivendi* with the government at the risk of diminishing its spiritual influence? Or should it take a firm stand on such issues as religious education—but avoid a showdown with the government, and concentrate on preserving the concept of the dignity of the individual until such time as this concept can flourish in Poland? No decision appears to have yet been reached, but the new Primate, Archbishop Stefan Wyszynski who recently succeeded the late Cardinal Hlond, in a recent pastoral letter signed by all bishops and read in all churches, condemned the government for its attacks on priests. Some members of the hierarchy attribute these government attacks not to Poles; nor even to Polish Communists, but to Russia. Despite the fact that the Nazis reduced the Jewish population of Poland to a mere handful, antisemitism persists among the Poles, and even "the Jews" are sometimes blamed for such attacks on the Church.

The Catholic Church has been so identified with the Polish nation throughout its history, and has had such deep-rooted international ties, that the Polish Communists have a far different problem in their attempt to work out new church-state relations than was faced by the Russian Communists in 1917.

VERA MICHELES DEAN

(The last of three articles on current developments in Czechoslovakia and Poland.)

## What Next in Germany?

On V-E Day the Bonn Parliamentary Council, by a vote of 52 to 12, adopted the draft of a new Western German Constitution. On May 23 the Big Four will meet in Paris to discuss German affairs. For background information on these developments, READ:

GERMAN POLITICS AND THE EAST-WEST

DEADLOCK—MARCH 1

GERMANY TODAY: SECURITY VERSUS

RECOVERY—APRIL 1

by Jane Perry Clark Carey

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